

ESTTA Tracking number: **ESTTA542942**

Filing date: **06/13/2013**

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	94002525
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Date	06/13/2013
Attachments	Boi Na Braza Trial Brief.pdf(330875 bytes)

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

BOI NA BRAZA, LLC,

APPLICANT,

VS.

TERRA SUL CORPORATION A/K/A
CHURRASCARIA BOI NA BRASA,

EXCEPTED USER.

CONCURRENT USE No. 94002525

APPLICANT BOI NA BRAZA'S TRIAL BRIEF

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I. Description of the Record

The record includes the pleadings and orders in this proceeding as well as in Opposition No. 91196845 (the predecessor to this proceeding), and Cancellation No. 92047056, which involved the same parties and the same mark. The record also includes the following:

1. Applicant Boi Na Braza's U.S. Trademark Registrations No. 2,666,968 and No. 2,534,608 (cancelled), and U.S. Trademark Application Serial No. 77/779,339.
2. Boi Na Braza's Objections and Responses to Terra Sul's First Set of Interrogatories (Nos. 1-50).
3. Excepted User Terra Sul's U.S. Trademark Applications Serial No. 77/813,416 and No. 77/813,335.
4. Terra Sul Corporation's Objections and Responses to Applicant's First Set of Requests for Admission (Nos. 1-10).
5. Terra Sul Corporation's Objections and Responses to Applicant's First Set of Interrogatories (Nos. 1-38).
6. Documents provided by Terra Sul Corporation and used by Terra Sul as all or part of an answer to Applicant's First Set of Interrogatories.
7. The discovery depositions of Terra Sul's witness Farid Saleh in Cancellation No. 92047056.

II. Statement of the Issues

Whether Boi Na Braza, the senior applicant but junior user, is entitled to a registration covering the entire United States except for New Jersey, where the senior user has been in business for 17 years in one neighborhood in Newark, New Jersey. Specifically, the issue is which party is entitled to rights in New York City—the proactive junior user with a history of nationwide expansion or the static senior user who has never expanded beyond his neighborhood.

Boi Na Braza lawfully adopted the mark in good faith in 1999, immediately filed trademark applications for the BOI NA BRAZA mark in 1999, expanded its operations through restaurants in Texas, Ohio, and Georgia¹ and has plans to expand in New York. Senior user Terra Sul began using a nearly identical mark for similar services in 1996, has never expanded its operations beyond one neighborhood in Newark, New Jersey, has no plans to expand its operations anywhere, didn't file a trademark application until 2009, but wants to reserve New York City for itself.

III. Factual Background

A. Applicant Boi Na Braza

Boi Na Braza was incorporated in 1999 by brothers Jonas, Joseph, and Julio Matheus to open Brazilian barbeque-style restaurants.² “[T]he name ‘boi na brasa’ is a well-known name that is often used in Brazil.”³ The Matheus brothers chose this name for their restaurant business “based on their knowledge of the name from its use in Brazil” and began advertising

¹ The restaurant in Georgia no longer uses the Boi Na Braza mark.

² Terra Sul's Brief on the Merits at Exhibit E in Cancellation No. 92047056.

³ Boi Na Braza's Answers to Terra Sul's First Set of Interrogatories, No. 16.

and operating the business under the BOI NA BRAZA mark in 1999, changing the “s” to a “z” to give the name more distinctiveness.⁴

In 1999, Boi Na Braza filed an intent-to-use application in the USPTO for the BOI NA BRAZA mark for restaurant services and began using the mark “at least as early as July 1, 1999.”⁵ In 2002, Boi Na Braza obtained Federal Registration No. 2,534,608 for BOI NA BRAZA, now canceled.

Boi Na Braza has used the BOI NA BRAZA mark in conjunction with restaurants in Texas, Ohio, and formerly in Georgia.⁶ To promote its restaurants, Boi Na Braza has spent “in excess of two million U.S. dollars (\$2,000,000.00) in advertising its ‘BOI NA BRAZA’ mark.”⁷ Boi Na Braza uses Wellspring & Associates to advertise the “BOI NA BRAZA” mark nationally and internationally.⁸ Specifically, “its advertisements are placed in *American Way* magazine and *Delta Sky* magazine, which have a circulation that covers the entire United States, as well as numerous countries internationally.”⁹ Boi Na Braza also advertises through its website (www.boinabraza.com) and “in publications that are local to its various restaurants, located in Dallas, Texas and Cincinnati, Ohio.”¹⁰ There was also local advertising by a restaurant in Atlanta, Georgia, which was a licensee of the “BOI NA BRAZA” trademark.¹¹

⁴ *Id.*

⁵ U.S. Trademark Application Serial No. 75/748,967; Boi Na Braza’s Answers to Terra Sul’s First Set of Interrogatories, No. 17.

⁶ Boi Na Braza’s Answers to Terra Sul’s First Set of Interrogatories, No. 20.

⁷ Boi Na Braza’s Answers to Terra Sul’s First Set of Interrogatories, No. 34.

⁸ Boi Na Braza’s Answers to Terra Sul’s First Set of Interrogatories, No. 32.

⁹ Boi Na Braza’s Answers to Terra Sul’s First Set of Interrogatories, No. 20

¹⁰ *Id.*

¹¹ *Id.*

B. Excepted User Terra Sul

Excepted User Terra Sul Corporation A/K/A Churrascaria Boi Na Brasa operates two restaurants in a single neighborhood in Newark, New Jersey and “use[s] the terms ‘Churrascaria Boi Na Brasa’ and ‘Boi Na Brasa’ to identify these to the public.”¹² Terra Sul’s first restaurant opened in 1996 and its second opened in 2005.¹³ While its first restaurant has been in business for nearly 17 years, Terra Sul has never expanded beyond Newark and testifies that it “has made no such plans at this time” to expand.¹⁴ In 2009, after more than 13 years of using the BOI NA BRASA mark in Newark, Terra Sul filed trademark applications to register BOI NA BRASA.¹⁵

Terra Sul’s two restaurants are less than one-half mile apart, located “at 70 Adams Street and 1 Merchant Street in Newark, New Jersey.”¹⁶ These restaurants are almost ten (10) miles away from the New York border and nearly forty (40) miles from the Connecticut border.¹⁷ Terra Sul claims that it “has advertised and continues to advertise in channels that reach and/or targeted to the New York market.”¹⁸ In support, Terra Sul cites advertising in special interest publications such as the *Brazilian Press*, but is forced to admit that “no goods or services were sold in the State of New York.”¹⁹

¹² Terra Sul Corporation’s Objections and Responses to Applicant’s First Set of Interrogatories, No. 1.

¹³ *Id.*

¹⁴ Terra Sul Corporation’s Objections and Responses to Applicant’s First Set of Interrogatories, No. 23.

¹⁵ U.S. Trademark Application Serial Nos. 77/813,416 and 77/813,335.

¹⁶ Terra Sul Corporation’s Objections and Responses to Applicant’s First Set of Interrogatories, No. 1.

¹⁷ Terra Sul’s Answer dated Jan. 19, 2012 at Appendix A. The Board can take judicial notice of this fact, if necessary. *See, e.g.*, Fed. R. Evid. 201(b); *Amalgamated Bank of New York v. Amalgamated Trust & Savings Bank*, 6 USPQ2d 1305, 1308 (Fed. Cir. 1988); *Continental Airlines Inc. v. United Air Lines Inc.*, 53 USPQ2d 1385, 1393 n.5 (TTAB 1999); *Pinocchio’s Pizza Inc. v. Sandra Inc.*, 11 USPQ2d 1227, 1229 n. 6 (TTAB 1989).

¹⁸ Terra Sul Corporation’s Objections and Responses to Applicant’s First Set of Interrogatories, No. 36.

¹⁹ Terra Sul Corporation’s Objections and Responses to Applicant’s First Set of Interrogatories, No. 37.

C. The Ongoing Dispute Between the Parties

The parties co-existed in their respective territories from 1999 to 2007, unaware of the other's existence. In 2007, Boi Na Braza learned about Terra Sul's use of the BOI NA BRASA mark.²⁰ Boi Na Braza demanded that Terra Sul stop using the mark and Terra Sul responded by petitioning to cancel Boi Na Braza's Registration No. 2,534,608.²¹ Terra Sul did not petition to cancel Boi Na Braza's Registration No. 2,666,968 for BOI NA BRAZA & design. The Board cancelled Boi Na Braza's word mark registration in 2009 based on Terra Sul's limited use in Newark. Although Terra Sul sought cancellation on numerous grounds, the Board only found that Terra Sul established priority based on its common law rights in the mark BOI NA BRASA for restaurant services. Following the Board's decision, Boi Na Braza filed the present Concurrent Use Application identifying Terra Sul as the Excepted User. Terra Sul then filed its trademark applications seeking registration of its BOI NA BRASA mark throughout the entire United States. Terra Sul's BOI NA BRASA trademark applications are suspended pending the disposition of the Concurrent Use Application at issue.²²

IV. This Dispute is Over New York

This dispute has always been about New York City. In its Answer, Terra Sul repeatedly took issue with the claims that Boi Na Braza would have rights in New York City, even though Terra Sul has never sold any goods or services in the state of New York.²³ From 1996 to today, Terra Sul's operations have been confined to one Newark neighborhood. Yet Terra Sul alleges

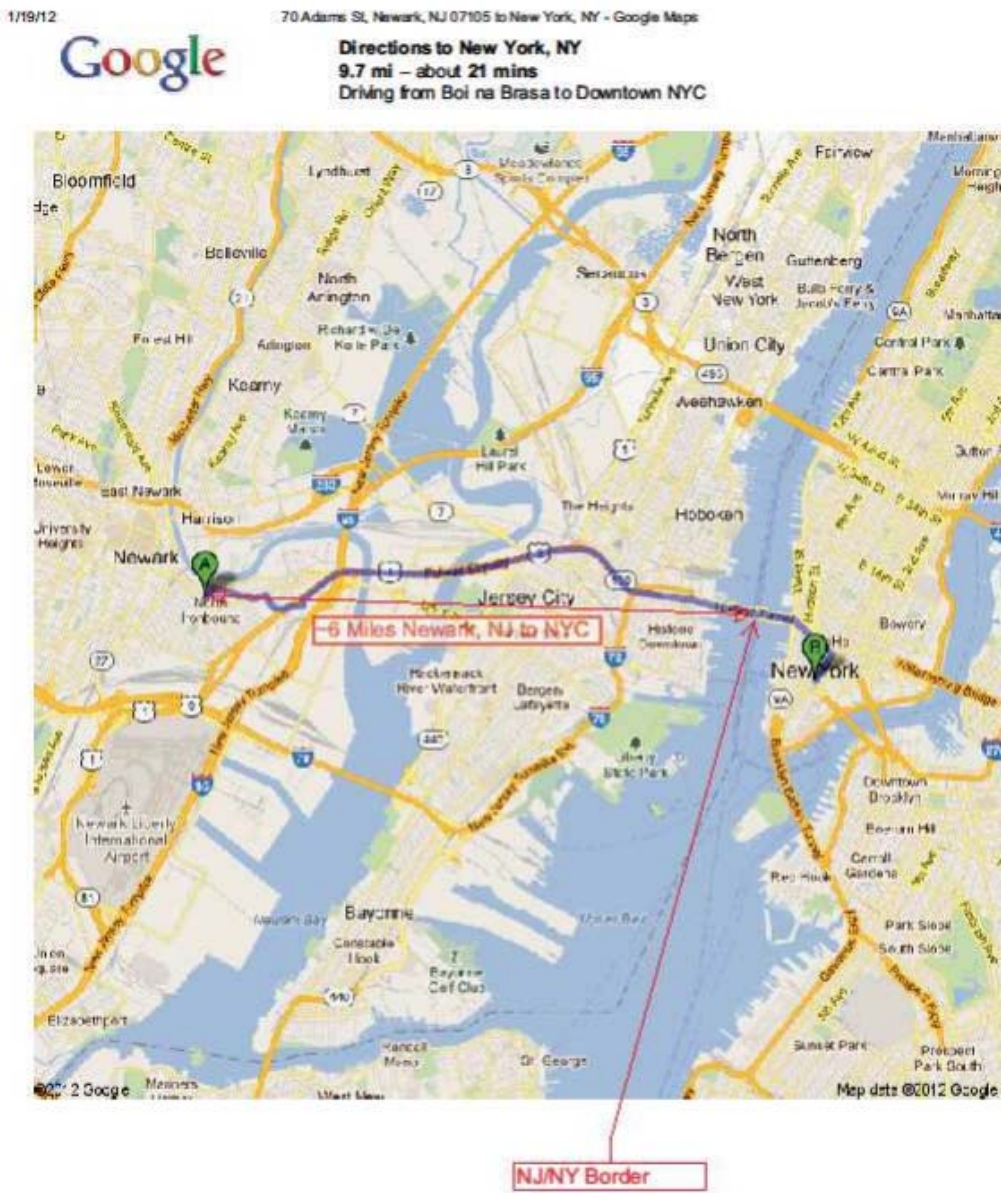
²⁰ Boi Na Braza's Answers to Terra Sul's First Set of Interrogatories, No. 19.

²¹ Cancellation No. 92047056.

²² U.S. Trademark Application Serial Nos. 77/813,416 and 77/813,335; Examiner's Notice of Suspension of U.S. Trademark Application Serial No. 77/813,416 and Examiner's Notice of Suspension of U.S. Trademark Application Serial No. 77/813,335.

²³ Terra Sul Corporation's Objections and Responses to Applicant's First Set of Interrogatories, No. 37.

that Newark and New York City are essentially the same geographic area and that “Terra Sul continues to advertise its restaurant services in at least the NY Metropolitan Area and the Tri-State Area.”²⁴ Terra Sul provided this map to demonstrate how close Terra Sul’s restaurants are to New York City.²⁵ But Terra Sul’s restaurants and New York City are separated by nearly ten (10) miles, three river crossings (including the Holland Tunnel), and Jersey City.



²⁴ Terra Sul’s Answer at ¶ 5 of the Affirmative Defenses.

²⁵ *Id.* at Appendix A.

Terra Sul stated that New York City is approximately “nine (9) miles from Terra Sul’s two Newark, NJ locations” and “Newark, NJ and NYC are part of a singular area known as the New York Metropolitan Area and cannot be divided from each other.”²⁶

As explained below, Boi Na Braza is entitled to a geographically restricted registration that includes the state of New York. However, in an attempt to resolve the dispute and avoid a drawn-out proceeding, Boi Na Braza filed a motion to amend the Concurrent Use Application to exclude both the state of New Jersey and the state of New York, instead of excluding only the state of New Jersey.²⁷ But because Terra Sul refused to consent to the amendment and failed to respond to the motion, the Board has deferred a decision on the motion until it issues its final decision in this proceeding.²⁸

Boi Na Braza is entitled to New York. However, should the Board disagree, Boi Na Braza respectfully requests that the Board grant Boi Na Braza’s motion to amend the application and issue Boi Na Braza a registration covering the entire United States except for the states of New Jersey and New York.

V. Applicable Legal Standards

When a junior user innocently adopts a mark in a separate area from a senior user’s area, “it is settled law that each party has a right to use its mark in its own initial area of use.” *Weiner King, Inc. v. Wiener King Corp.*, 204 USPQ 820, 829 (CCPA 1980). “[A] later user’s registration need not be limited to its areas of actual use or its areas of use prior to notice of a senior user, nor

²⁶ Terra Sul’s Answer dated Jan. 19, 2012 at ¶¶ 3 and 4 of Affirmative Defenses.

²⁷ Boi Na Braza’s Motion to Amend Application dated June 6, 2012.

²⁸ Order of Interlocutory Attorney dated June 18, 2012.

is territorial expansion by a later user after learning of a senior user precluded as a matter of law.”
Ole’ Taco Inc. v. Tacos Ole, Inc., 221 USPQ 912, 916 (TTAB 1984).

As a general rule, the senior user is entitled to a registration covering the entire United States limited only to the extent that the junior user can establish that no likelihood of confusion exists and that it has concurrent rights in its actual area of use and natural area of expansion.

Pinocchio’s Pizza v. Sandra Inc., 11 USPQ2d 1227, 1228 (TTAB 1989). But this rule is not absolute and the junior user can prove that it is entitled to an area larger than its area of “actual use.” This inquiry should focus on the following: (1) previous business activity; (2) previous expansion or lack thereof; (3) dominance of contiguous areas; (4) presently-planned expansion; and, where applicable (5) possible market penetration by means of products brought in from other areas. *Weiner King*, 204 USPQ at 830.

A senior user may abandon its right to expand its trade when it fails to exercise that right. *Weiner King*, 204 USPQ at 830; *America’s Best Franchising, Inc. v. Abbott*, 106 USPQ2d (BNA) 1540, at *40-45 (TTAB 2013); *Pinocchio’s Pizza*, 11 USPQ2d at 1228-29. Additionally, the policy of encouraging prompt registration of marks rewards granting the unclaimed territory to a junior user that is first to seek registration. *Id.* The Board should balance the equities, including each party’s intent to expand and actual expansion, as well as which party first sought to register its trademark with the USPTO. *Id.* As discussed below, the equities strongly favor Boi Na Braza.

VI. Boi Na Braza Is Entitled To A Federal Registration For The Entire United States Except New Jersey.

A. Boi Na Braza Lawfully Adopted Its Mark 10 Years Before Terra Sul Filed Its First Trademark Application.

The first criterion for concurrent use registration is that the applicant lawfully adopted its mark in commerce in good faith without knowledge of the senior user's prior use. This is primarily a jurisdictional threshold. *See America's Best Franchising, Inc.*, 106 USPQ2d at *23-24, citing *In re Beatrice Foods Co.*, 166 USPQ 431, 436 (CCPA 1970). It is undisputed that Boi Na Braza adopted and began using the mark in 1999 in good faith without knowledge of Terra Sul's use and that Terra Sul did not have any trademark registrations or common-law rights in Texas, where Boi Na Braza opened its first restaurant.

In fact, Terra Sul didn't file its trademark applications until about 10 years later in 2009. It is also undisputed that neither party was aware of the other until 2007, even though both had been running their respective restaurants in their own territories since 1999.²⁹ Boi Na Braza also filed its trademark applications for BOI NA BRAZA in 1999 and received two registrations in 2002 (Registration No. 2,534,608, now cancelled, and Registration No. 2,666,968). Based on these circumstances, Boi Na Braza and Terra Sul each has a right to use their respective marks in their respective initial geographic areas of use. *See America's Best Franchising, Inc.*, 106 USPQ2d at *23-24.

B. Terra Sul Has Never Expanded Beyond One Neighborhood In Newark and Has No Plans To Do So.

Terra Sul's first restaurant opened in Newark, New Jersey in 1996 using the mark CHURRASCARIA BOI NA BRASA. Nine years later, Terra Sul opened its second restaurant in

²⁹ Terra Sul Corporation's Objections and Responses to Applicant's First Set of Interrogatories, No. 5 and Boi Na Braza's Answers to Terra Sul's First Set of Interrogatories, No. 19.

the same Newark neighborhood using the BOI NA BRASA mark. This second restaurant is located less than one-half mile away from its first restaurant. While Terra Sul's first restaurant has been in business for about 17 years, Terra Sul has never expanded beyond this one neighborhood in Newark and has no plans to expand:

Excepted User uses the terms "Churrascaria Boi Na Brasa" and "Boi Na Brasa" to identify its two restaurants in Newark, New Jersey. Excepted User may decide in the future to open additional restaurants using the same or similar names in nearby geographic regions, but Excepted User has made no such plans at this time.³⁰

This inaction over such a significant period of time shows that Terra Sul's restaurants are a "local operation with no intent to expand." *Weiner King, Inc.*, 204 USPQ at 826 (finding that a restaurant's lack of expansion outside of its in-state trade territory over a thirteen-year period suggests that the restaurant is a "local operation with no intent to expand").

Terra Sul has been idle for about 17 years. As the legal maxim goes, the law favors the vigilant over those who slumber on their rights. Such is true in this scenario where the senior user slumbered while an innocent junior user vigorously expanded its operations and immediately sought and obtained nationwide trademarks rights.

C. Boi Na Braza Has Diligently Sought Nationwide Trademark Rights, Expanded Its Operations in Several States, and Plans to Expand Further.

A senior user may abandon its right to expand its trade when it fails to exercise that right. *Weiner King*, 204 USPQ at 830; *America's Best Franchising, Inc.*, 106 USPQ2d at *41-45. Additionally, the policy of encouraging prompt registration of marks rewards granting the unclaimed territory to a junior user that is first to seek to register its mark. *Id.* The Board should

³⁰ Terra Sul Corporation's Objections and Responses to Applicant's First Set of Interrogatories, No. 23

balance the equities, including each party's intent to expand and actual expansion, as well as which party first sought to register its trademark with the USPTO. *Id.*

It's been 17 years and Terra Sul has not expanded its operations beyond one neighborhood in Newark. Boi Na Braza, on the other hand, has expanded in Texas, Ohio, and Georgia. Boi Na Braza also "intends to open a restaurant in New York under the 'BOI NA BRAZA' mark in the future."³¹ Boi Na Braza has also been diligently pursuing its trademark registrations for years.

Boi Na Braza filed its original trademark applications in 1999 and obtained two registrations for the BOI NA BRAZA mark in 2002. Boi Na Braza actually filed its trademark applications ten years before Terra Sul filed in 2009. Terra Sul has been content in its one Newark neighborhood, while Boi Na Braza has a proven track record of seeking nationwide rights. In fact, Boi Na Braza has an incontestable registration for BOI NA BRAZA & design for the entire United States. Between the parties, it is only Boi Na Braza that has been consistently expanding its rights and seeking nationwide registrations.

D. The Parties Have Co-Existed In their Geographic Territories Without Consumer Confusion.

From 1999 to 2007, the parties co-existed without even being aware of one another. Terra Sul is not aware of any instances of actual confusion or even an inquiry into a relationship between Terra Sul and Boi Na Braza.³² Terra Sul's owner testified that in all his years, he never heard Boi Na Braza mentioned by customers or employees until he received a cease and desist letter in January of 2007.³³ Terra Sul stated that it "is not aware of any instances of actual

³¹ Boi Na Braza's Answers to Terra Sul's First Set of Interrogatories, No. 41.

³² Terra Sul Corporation's Objections and Responses to Applicant's First Set of Interrogatories, Nos. 25-28.

³³ See March 25, 2008 TR of Saleh pp. 90-91.

confusion.”³⁴ And Boi Na Braza merely received a few reports from its staff that were approached by customers claiming to have dined at Boi Na Braza’s restaurant in New Jersey. These reports occurred between 2003 and 2006 at the Atlanta, Georgia and Dallas, Texas locations.³⁵

Boi Na Braza, as the junior user, has established that it has lawful concurrent rights in its area of actual use. Additionally, Boi Na Braza has demonstrated that its area of natural expansion encompasses the entire United States except for New Jersey. Boi Na Braza’s continued use and registration of its BOI NA BRAZA mark is not likely to cause consumer confusion given a proper geographic restriction.

Confusion is not likely with an appropriate geographic restriction. The Board should determine the geographic territory to which each party is entitled. *See, e.g., America’s Best Franchising, Inc.*, 106 USPQ2d at *40-41 (“Having determined that confusion is not likely with an appropriate geographic restriction, we must now determine the geographic territory to which each party is entitled.”) In this case, Boi Na Braza is entitled to the entire United States except for New Jersey.

E. The Parties Will Continue To Co-Exist Without Consumer Confusion If Boi Na Braza Expands Into New York.

The ability of these restaurants to coexist without instances of actual confusion for so many years strongly suggests that no likelihood of confusion between the marks exists in the territories defined in the Concurrent Use Application. However, Terra Sul contends that the issue is over New York City and that there is a likelihood of confusion if Boi Na Braza opens restaurants in Manhattan. Terra Sul admits that it has never sold any goods or services in New

³⁴ Terra Sul Corporation’s Objections and Responses to Applicant’s First Set of Interrogatories, No. 25.

³⁵ Boi Na Braza’s Answers to Terra Sul’s First Set of Interrogatories, Nos. 35 and 36.

York.³⁶ Instead, Terra Sul states that its advertising reaches the “New York Market.”³⁷ But Boi Na Braza’s advertising also extends to New York, and there still haven’t been issues of consumer confusion. Terra Sul claims that some of its print advertising targeting New Jersey is also circulated in New York. Boi Na Braza advertises nationally, spending approximately \$2,000,000. Its advertisements are placed in *American Way* magazine and *Delta Sky* magazine, which have a circulation that covers most of the United States, as well as numerous countries internationally.

The fact that the parties advertise in overlapping geographical areas does not preclude a concurrent use registration. *See, e.g., Terrific Promotions, Inc. v. Vanlex, Inc.*, 36 USPQ2d 1349, 1352-53 (TTAB 1995) (finding that the mention of concurrent user in an in-flight airline magazine and *New York Magazine* did not prevent issuance of concurrent use registrations); *see also America’s Best Franchising, Inc.*, 106 USPQ2d at *32-37 (finding that some overlap in the parties’ advertisements, specifically advertising on the Internet, did not prevent issuance of concurrent use registrations). Here, even if some advertising overlaps, the defined geographic restrictions in the Concurrent Use Application properly define the trade territories of the parties. Thus, the Concurrent Use Application provides the best opportunity to prevent consumer confusion going forward.

F. Boi Na Braza’s Logo Mark Is Distinguishable from Terra Sul’s.

In 2000 Boi Na Braza filed a trademark application for BOI NA BRAZA & design,³⁸ which matured into Registration No. 2,666,968 (picture below on the left). This registration is

³⁶ Terra Sul Corporation’s Objections and Responses to Applicant’s First Set of Interrogatories, No. 37.

³⁷ Terra Sul Corporation’s Objections and Responses to Applicant’s First Set of Interrogatories, No. 31.

³⁸ U.S. Trademark Application Serial No. 76/088,982.

for the entire United States, is in full force and effect, and is incontestable.³⁹ Terra Sul filed an application for its CHURRASCARIA BOI NA BRASA & design mark (picture below on the right) in 2009.⁴⁰ The marks are distinguishable to a casual observer, reducing the risk of any consumer confusion. Notably, Terra Sul's prominently features a gaucho carving meat, while Boi Na Braza's logo is an artistic design resembling fire.⁴¹



The differences are even more striking when the logos are viewed in color, as they may be seen displayed on each party's website, www.boinabraza.com and www.boinabrasa.com, respectively.⁴²



³⁹ U.S. Trademark Registration No. 2,666,968.

⁴⁰ U.S. Trademark Application Serial No. 77/813,416.

⁴¹ U.S. Trademark Application Serial No. 77/813,416 and U.S. Trademark Registration No. 2,666,968.

⁴² The websites are identified in Terra Sul Corporation's Objections and Responses to Applicant's First Set of Interrogatories, Nos. 10, 11, 13, 19, 21, 37, and 38 and Boi Na Braza's Answers to Terra Sul's First Set of Interrogatories, Nos. 13, 17, 20, 23, 32, and 42

The fact that the logos are readily distinguishable, coupled with Boi Na Braza's requested geographic boundaries, ensures that there will be no likelihood of confusion between the parties.

G. Newark and New York City are Separate Restaurant Markets.

Terra Sul claims that Newark and New York City are essentially the same geographic area for local consumers. This is incorrect. Terra Sul's restaurants are at least nine miles away from New York City, separated by three river crossings (including the Holland Tunnel) and Jersey City.⁴³ More importantly, Newark, New Jersey and New York, New York are not one single geographic area catering to a small group of consumers. To the contrary, this is one of the most densely populated areas in the United States. There are tens of thousands of restaurants in New York City serving millions of people. The territorial restrictions outlined in Boi Na Braza's Concurrent Use Application would prevent confusion between the parties, even if there is some minor advertising crossover.

H. The Equities Favor Boi Na Braza.

Determining the proper geographic restrictions in a concurrent use application requires a balancing of the equities. *Weiner King, Inc.*, 204 USPQ at 829. To draw the boundaries, "the inquiry should focus on the party's (1) previous business activity; (2) previous expansion or lack thereof; (3) dominance of contiguous areas; (4) presently-planned expansion; and, where applicable (5) possible market penetration by means of products brought in from other areas." *Weiner King, Inc.*, 204 USPQ at 830, citing *Beatrice Foods Co.*, 166 USPQ at 437-38.

In determining the scope of the concurrent use application, there is "no bias in favor of the prior user." *Weiner King, Inc.*, 204 USPQ at 831; *America's Best Franchising, Inc.*, 106 USPQ2d at *41-42. An active, expanding junior user is entitled to a concurrent use application

⁴³ Terra Sul's Answer at Appendix A.

for the entire country, except the static senior user's area of actual use. *See, e.g., Weiner King, Inc.*, 204 USPQ at 830-31; *America's Best Franchising, Inc.*, 106 USPQ2d at *44-46. This is based on equitable principles and "the avowed purpose of the Lanham Act to grant nationwide protection *for expanding businesses* by registration." *Weiner King, Inc.*, 204 USPQ at 825 (emphasis added) (quoting the prior TTAB decision, reported at 201 USPQ 894 (TTAB 1979)). The default rule favoring the senior user is also inappropriate in situations such as this, when the junior user was the first to seek federal registration. *Weiner King, Inc.*, 204 USPQ at 830-31; *America's Best Franchising, Inc.*, 106 USPQ2d at *41; *Pinocchio's Pizza*, 11 USPQ2d at 1228-29.

Here, equity favors Boi Na Braza. Boi Na Braza lawfully adopted the mark in 1999 and expanded its operations in Texas, Ohio, and Georgia. Boi Na Braza also plans to expand further by opening a restaurant in New York. Boi Na Braza's restaurants are over 900 miles apart and Boi Na Braza advertises nationally. Boi Na Braza has spent over two million (\$2,000,000) U.S. dollars advertising its BOI NA BRAZA mark through the United States.

Terra Sul, on the other hand, began using the mark in 1996 and has never expanded beyond one neighborhood in Newark and has no plans to expand. Terra Sul's two restaurants are less than one-half mile apart. Terra Sul's nearly two decades of inaction demonstrates that Terra Sul is a "local operation with no intent to expand." *Weiner King, Inc.*, 204 USPQ at 826 (finding that a restaurant's lack of expansion outside of its in-state trade territory over a thirteen-year period suggests that the restaurant is a "local operation with no intent to expand.")). In fact, Terra Sul admitted that it has no plans to expand.⁴⁴ Although Terra Sul is the senior user, it must yield to the "innocent [junior] user and registrant . . . with an expanding nationwide

⁴⁴ Terra Sul Corporation's Objections and Responses to Applicant's First Set of Interrogatories, No. 23.

business.” *Weiner King, Inc.*, 204 USPQ at 826; see also *Tie Rack Enters., Inc. v. Tie Rak Stores*, 168 USPQ 441, 446 (TTAB 1970) (noting that it may be necessary to “restrict[] a prior user with a long history of a stable, non-expanding business to its actual area of use and to award a subsequent user with an expanding market area”; but finding in favor of the senior user on the basis of bad faith on the part of the junior user).

Accordingly, Boi Na Braza’s previous business activity, previous expansion activity, and planned expansion activity establish that Boi Na Braza’s trade territory and zone of potential expansion covers the entire United States except for New Jersey.

I. Policy Favors Rewarding Those Who First Seek Federal Registration.

The policy of rewarding those who first seek federal registration may result in permitting the prior registrant to retain nationwide protection, subject only to the territory of actual use of the prior user. *See, e.g., Beatrice Foods Co.*, 429 F.2d at 436. As the *Beatrice Foods* Court explained:

[W]here the prior user does not apply for a registration before registration is granted to another, there may be valid grounds, based on a policy of rewarding those who first seek federal registration, and a consideration of the rights created by the existing registration, for limiting his registration to the area of actual use and permitting the prior registrant to retain the nationwide protection of the act restricted only by the territory of the prior user.

Id. n. 13. It is undisputed that Boi Na Braza filed its trademark applications in 1999 when it adopted the mark. Those applications matured into registrations in 2002.⁴⁵ Terra Sul, the senior user, didn’t file a trademark application until nearly a decade later in 2009.⁴⁶ What’s more, when Boi Na Braza’s mark was canceled by the Board in June of 2009, Boi Na Braza was

⁴⁵ Registration Nos. 2,534,608 (canceled) and 2,666,968.

⁴⁶ Application Nos. 77/813,335 and 77/183,416.

diligent in filing the Concurrent Use Application at issue in this proceeding. Even Boi Na Braza's Concurrent Use Application was filed before Terra Sul filed its trademark applications.⁴⁷

Therefore, Boi Na Braza was the first to seek federal registration and should be rewarded with nationwide protection except for the territory of Terra Sul's actual prior use.

VII. At a Minimum, Boi Na Braza Is Entitled to a Registration for the Entire United States Except for New Jersey and New York.

As explained, Boi Na Braza is entitled to a geographically restricted registration that includes the state of New York. Terra Sul has no rights in New York, has not expanded beyond one neighborhood in Newark, and has no expansion plans. However, in an attempt to resolve the dispute, Boi Na Braza filed a motion to amend the concurrent use application to exclude both the state of New Jersey and the state of New York⁴⁸. Should the Board decide to grant Terra Sul rights in New York, Boi Na Braza respectfully requests that the Board amend the application and issue Boi Na Braza's registration covering the entire United States except for the states of New Jersey and New York. This geographic restriction would unquestionably prevent any likelihood of confusion. New York would serve as a buffer zone between parties because: (a) neither party has operations in New York, (b) Terra Sul has shown no interest in expanding outside of Newark, New Jersey, and (c) Boi Na Braza would withdraw its plans to enter New York.

VIII. Conclusion

Boi Na Braza is entitled to a registration for the entire United States except for New Jersey. It is undisputed that Boi Na Braza lawfully adopted the mark in good-faith in 1999, nearly a decade before Terra Sul filed its trademark applications in 2009. Boi Na Braza is an active,

⁴⁷ Application Nos. 77/779,339, 77/813,335 and 77/813,416.

⁴⁸ Boi Na Braza's Motion to Amend Application dated June 6, 2012.

expanding restaurant chain. Senior user Terra Sul is a static, local operation, which has never expanded beyond a single neighborhood in Newark and has no plans to expand. Therefore, Boi Na Braza is entitled to a registration for the entire United States except for New Jersey.

In the alternative, should the Board decide to grant Terra Sul rights in New York, Boi Na Braza respectfully requests that the Board amend the application and issue Boi Na Braza's registration covering the entire United States except for the states of New Jersey and New York. This geographic restriction would unquestionably prevent any likelihood of confusion between the parties.

Dated: June 13, 2013

Respectfully submitted,

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Certificate of Service

I certify that this paper is being served on Excepted User through its attorney of record, Eamon J. Wall, via First Class Mail, postage prepaid, on this 13th day of June, 2013, at the following address:

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